DEPARTMENT OF ADMINISTRATION
OFFICE OF GRANTS MANAGEMENT

OGM Tip Sheet:
Guiding principles on collaboration and/or collusion for Competitive Grants

Introduction

Grant administrators have the responsibility to review grant application materials that grant applicants submit to ensure fairness, precision, equity, and consistency in the process of approving both competitive and legislatively-named grants. Competitive grant review processes are conducted using review criteria that are identified in the notice of grant opportunity or request for proposal. Legislatively named grants are managed with oversight that requires taking into account the legislative intent for the grant and approving work plans and budgets.

The grant review process includes opportunities for grant administrators to analyze budgets, workplans, and proposals to determine how the materials adequately meet the grant review criteria.

This tip sheet is a guide for grant administrators to use when preparing and reviewing competitive grant application materials for:

- Identifying and highlighting which components of the grant purpose and grant work are collaborative options;
- Choosing an appropriate balance of collaborative activities that are supported with corresponding budgets that meet grant funding requirements; and,
- Identifying possible questions or concerns with respect to collusion in grant administration.

Definitions

Review Criteria:

- State Policy on Rating Criteria for Competitive Grant Review defines review criteria as the standards by which grant applications will be evaluated. Typically, review criteria are based both on the grant programmatic requirements and an applicant's ability to carry out the grant. Review criteria may include, but are not limited to the following: diversity in grant-making, project need, project sustainability, soundness of approach, probability of achieving results, financial management capacity (accounting, timekeeping, and funds management), project funds raised to-date, geographic coverage, knowledge of the community being served, and past performance as a grantee of the individual state agency if/when applicable.

Collaboration:

- State Policy on Writing and Publicizing Grants Notices and Requests for Proposal (RFP) describes essential elements of a notice of a grant opportunity/RFP. One of these elements is a statement in the notice that identifies whether a multi-organization collaboration is required, welcome or not allowed.
- Collaboration is generally defined as:
  - Working jointly with others or together especially in an intellectual endeavor
  - The action of working with someone to produce or create something
- Within this context, collaboration is a process and a positive intention to leverage contributions of multiple stakeholders to make more progress toward shared goals.

Collusion in Grant Administration:

- A process that may occur when:
  - Grant applicants and/or vendors artificially inflate the costs of services or goods.
  - Multiple grant applicants – sometimes referred to as bidders- secretly agree to submit high bids in order to let a pre-selected bidder win. Competition is either limited or eliminated while prices are manipulated in favor of a few select grant applicants.

Guiding principles on collaboration in grant administration:

- The collaborative practice, outcomes, and expectations are clearly defined in the grant request for proposal, and/or grant application materials.
- These practices, outcomes, and expectations are transparent, clear, and can be measured.
- Partnerships generated by collaboration are meant to support shared assets and resources to best meet grant funding purpose(s).
- Applicant organizations collectively bring together resources in unique ways to produce outcomes that could not be met through single organizations and/or applicants.
- The grant funding requirements do not actively restrict collaboration.

Red flags and/or concerns addressing collusion in grant administration:

- Pre-grant award patterns:
  - The broad grant applicant pool:
    - Contain budgets proposing prices on contracted services that increase by identical increments over a period of time
    - Demonstrate budgets with identical calculations or errors among responders
    - Contain budgets for services or goods that appear higher/ inflated above local market rate
    - Contain budgets for an unusually high volume of purchases that aren't tied to known performance patterns of the industry, aren't logically tied to the grant work plan, etc.

- Active grant award patterns:
  - Grantee monitoring demonstrates:
    - Grantee procurement activities:
      - Do not meet grant agreement requirements for contracting and bidding – i.e. inadequate records, noncompliance with grant agreement procurement requirements, etc.
      - Do not meet organization's written conflict of interest procedures and processes
    - Grantee expenditures:
      - Demonstrate repeated practice of ineligible expenditures based on approved grant budget
      - Demonstrate an unusually high volume of purchases that fall outside of approved grant budget

Strategies to address red flags and/or concerns with possible collusion in grant administration:

- **Pre-grant award**:
  - Ensure grant request for proposal and/or grant application materials contain clear expectations and requirements in the grant review criteria for eligible expenditures, grant budget parameters, grantee procurement, etc.

- **Active grant award**:
  - Provide clear grant guidelines and administrative requirements for grantees - consider how to support ongoing training and technical assistance for grantees
  - Plan for ongoing monitoring and risk assessment